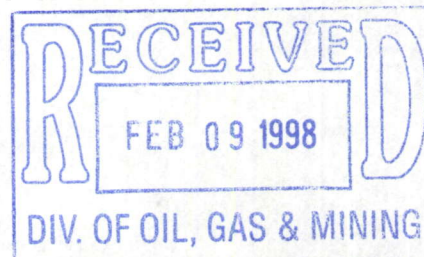


m/031/002

Paradise Management Company

1025 North Main ♦ Fillmore, UT 84631 ♦ 801-743-5848

February 4, 1998



State of Utah Department of Natural Resources
Division of Oil, Gas & Mining
1594 West, North Temple, Suite 1210, Box 145801
Salt Lake City, UT 84114-5801

Attn: Tony Gallegos
RE: Koosharem Mine, M/031/002, Puite County, Utah

Dear Tony:

Current plans for operating the referenced mine call for production to begin as soon as weather and road conditions permit, perhaps as early as April. We realize that this does not leave much time in which to complete all of the actions necessary to transfer the existing permit.

We will be contacting you in the next few days to discuss what we can do to expedite the permitting process. Any assistance you are able to provide in this effort will be sincerely appreciated.

Sincerely,

A handwritten signature in blue ink that reads "Don W. Fullmer".

Don W. Fullmer
Lessee

DWF/smw

cc: John Blake SITLA (ML 27110)